

## **FISCAL NOTE**

### **SB 3430 - HB 3621**

February 25, 2008

**SUMMARY OF BILL:** Establishes the *Patient and Physician Empowerment Act* which authorizes independent health care providers and associated medical facilities to jointly negotiate with a health care insurer and engage in related joint activity regarding non-fee-related matters which can affect patient care after the review and approval of the Office of the Attorney General. The Department of Commerce and Insurance is to calculate the covered lives of insurers in order to measure market power.

#### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$56,300 One-Time  
\$584,100 Recurring**

**Other Fiscal Impact – There is no direct impact on health care costs to state and local government employee health plans. However, to the extent that joint bargaining by health care providers increased prices and health insurers passed on such costs to all health plans, total expenditures for state and local health care plans would increase significantly.**

Assumptions:

- The Office of the Attorney General will hire two attorneys, a secretary, a paralegal and an analyst/economist to administer the provisions of this bill which will result in an increase in expenditures of \$480,500.
- These positions are estimated to increase one-time expenditures by \$18,750 for computers (\$6,250), printers (\$2,500) and office set-up (\$10,000) and recurring expenditures by \$461,750 which includes salaries (\$300,707), benefits (\$103,293), administrative allocations (\$39,500), communications and networking (\$5,500), office leases (\$9,750) and supplies (\$3,000).
- The Department of Commerce and Insurance will hire a statistical analyst 2 position and a statistical clerk to gather and analyze the statistical information required to implement the provisions of this bill.
- These positions are estimated to increase one-time expenditures by \$7,500 for computers (\$2,500), a printer (\$1,000) and office set-up

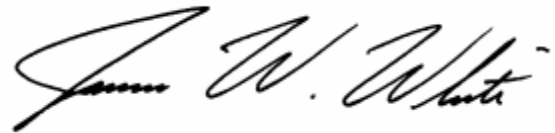
**SB 3430 - HB 3621**

(\$4,000) and recurring expenditures by \$122,300 which includes salaries (\$70,860), benefits (\$24,340), administrative allocations (\$19,800), communications and networking (\$2,200), office leases (\$3,900) and supplies (\$1,200).

- The Department of Commerce and Insurance will incur a one-time increase in expenditures of \$30,000 for development of reporting forms and programming.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml